

**ANNUAL USE OF CAPITAL SURVEY - 2009****NAME OF INSTITUTION**

(Include Holding Company Where Applicable)

FirstMerit Corporation

Person to be contacted regarding this report:	Nancy H. Worman
CPP Funds Received:	\$125,000,000
CPP Funds Repaid to Date:	\$125,000,000
Date Funded (first funding):	1/9/2009
Date Repaid ¹ :	4/22/2009

RSSD: (For Bank Holding Companies)	67311
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	13675
City:	Akron
State:	Ohio

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	
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<input type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	For the short period of time FirstMerit held TARP funds (103 days), we were able to purchase additional agency mortgage-backed securities due to the improved liquidity position resulting from the TARP funds being on deposit.
<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	

<input type="checkbox"/>	Reduce borrowings	
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/>	Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

FirstMerit held \$125 million in TARP capital for 103 days between January 9, 2009 and April 22, 2009, inclusive. While FirstMerit was well capitalized at the time of the TARP borrowing, we accepted the funds because we were unsure of the gravity of the economic turndown and because we were committed, as were many other banks, to assist in the stabilization of the United States economy. The TARP funds acted as an insurance policy that would, if an unforeseen economic turn for the worse had happened, allow us to continue making and servicing loans to individuals, homeowners and businesses. Before, during, and after the time FirstMerit held the TARP funds, we continued to serve customers in our communities and remained one of the best capitalized banks in our footprint and the entire industry. After holding the funds only a short time, we realized that the government funds were not needed to ensure our financial stability or our ability to continue to lend and engage in other banking activities.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

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